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SUBJECT: BENIN: UPDATE ON EFFORTS BY THE GOVERNMENT OF BENIN AND
BENINESE CIVIL SOCIETY TO COMBAT CORRUPTION

11. (SBU) SUMMARY: In conjunction with President Yayi's program to fight corruption in the administration and advance good governance in the country, the Front of National Anti-Corruption Organizations (FONAC) has accused two former Executive Directors of the Benin Electric Energy Corporation (SBEE), who are members of the National Assembly, as well as several officials of the Benin Water corporation (SONEB), of mismanagement and embezzlement of public funds. These allegations, which come at the same time that the National Assembly is considering an anti-corruption bill, have caused a major stir in Beninese political circles. END SUMMARY

FONAC ACCUSES TWO PARLIAMENTARIANS

12. (U) On June 20, the Front of National Anti-Corruption Organizations (FONAC) held a press conference during which the organization's Vice-president and Spokesman, Jean Baptiste Elias, accused two former Executive Directors of the Benin Electric Energy Corporation (SBEE). The two officials, Ms. Celestine Adjanohoun and Mr. Luc Da Matha Santana, both of whom were elected to the National Assembly in the March 2007 legislative elections, are accused of having improperly awarded a private procurement contract worth \$6 million (3 million CFA). The company which received the contract is alleged to have received all the money due it under the contract without having delivered all of the equipment and services required. FONAC said further investigations revealed that this company, in collusion with SBEE officials, did not pay taxes on the profit earned under the contract to the Benin Internal Revenue Service, resulting in a loss of \$4.4 million (223 million CFA) to the national treasury. In addition, FONAC alleged that the contract violated Benin's Public Procurement Act, which stipulates that the maximum amount for private contracts must not exceed \$80,000 (40 million CFA).

13. (U) FONAC also accused Ms. Adjanohoun and Mr. Da Matha Santana of having ordered a payment to a Cote d'Ivoire-based company that had supplied the SBEE with electrical equipment, even though a court decision had ruled against this payment because the company had refused to give the Beninese intermediary the commission it owed him on the deal. Both Ms. Adjanohoun and Mr. Da Matha Santana have publicly denied all allegations, arguing that SBEE awarded the concerned contract in accordance with the provisions of the Public Procurement Act in force in Benin.

14. (U) At the same press conference, Mr. Elias also made allegations against several officials of the Benin Water Corporation (SONEB) who are accused of fraudulently transferring \$66,000 (33,000,000 CFA) from SONEB's accounts to the account of a private company which did not offer any services to the SONEB.

PRESIDENT YAYI MEETS WITH THE FONAC

15. (SBU) In response to FONAC's public accusations, President Yayi met on June 21 with key FONAC members to seek more details on the cases. The two corruption cases represent a major challenge for the President because both of the accused officials were elected to the National Assembly under the umbrella of President Yayi's political coalition. Some commentators considered Yayi's meeting a demonstration of his personal interest in these particular cases and his commitment to crack down on corruption, but the President's office has made no announcement on its attitude toward the cases, or if it will take any actions vis a vis the accused. (NOTE: The fact that Mr. Da Matha Santana and Ms. Celestine Adjanohoun are members of the National Assembly makes their cases more complicated, since their parliamentary immunity would have to be revoked before any legal actions could be taken against them. END NOTE.)

NATIONAL ASSEMBLY EXAMINE ANTI-CORRUPTION BILL

16. (U) Meanwhile, an anti-corruption bill recently introduced by the Government under an emergency procedure intends to incorporate the provisions of the 2003 UN Convention against Corruption into Benin's legal framework. Benin's existing anti-corruption legislation consists of international conventions, a few provisions of the Constitution, the Penal Code, and a wide range of domestic decrees against corruption. However, existing legislation does not provide adequate penalties for perpetrators and in any case has rarely been enforced. The proposed bill seeks to correct these deficiencies. The Government describes the bill as a comprehensive draft that covers issues including money laundering, conflict of interest, and public procurement. Most importantly, it provides for penalties ranging from one year imprisonment to a life sentence for perpetrators, depending on the seriousness of the offense. The Office for Political Analysis (CAPAN) of the National Assembly,

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along with FONAC and other partners, has organized a seminar for the deputies to learn more about the issue and to familiarize them with the anti-corruption bill. The President of the National Assembly, Professor Mathurin Nago, stated the Assembly would examine the bill and make its passage a top priority.

17. (SBU) COMMENT: The adoption of this bill by the National Assembly would be a significant step forward in the fight against corruption. The decision to pursue passage of the bill through an emergency procedure is a joint decision of the President of the National Assembly and the executive branch. However, the President's political will alone is not sufficient to achieve his goal of good governance, if judicial branch does not support him by aggressively pursuing cases of alleged corruption. Perceived immunity from prosecution has always been at the heart of the problem of corruption in Benin.

HOLTZAPPLE